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Message Text

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ACTION EB-07

INFO OCT-01 EA-09 IO-14 ISO-00 AGRE-00 CEA-01 CIAE-00
COME-00 DODE-00 FRB-01 H-02 INR-07 INT-05 L-03
LAB-04 NSAE-00 NSC-05 PA-02 EPG-02 AID-05 SS-15
STR-04 ITC-01 TRSE-00 USIA-15 PRS-01 SP-02
FEAE-00 OMB-01 AF-10 ARA-14 EUR-12 NEA-10 /153 W
----------086365 071408Z /46
R 070750Z JUL 77
FM AMEMBASSY SEOUL
TO SECSTATE WASHDC 4968
INFO AMEMBASSY TOKYO
AMEMBASSY TAIPEI
AMCONSUL HONG KONG
USMISSION GENEVA

UNCLAS SEOUL 5653

HONG KONG FOR REGFINATT

GENEVA FOR USDEL MTN

E.O. 11652: N/A
TAGS: ETRD, EFINS, EGEN, MTN, GATT, KS
SUBJECT: KOREAN TAKE ANOTHER SMALL STEP TOWARD IMPORT LIBERALI-
ZATION

REF: (A) SEOUL 4971, (B) SEOUL 5281

SUMMARY: KOREAN GOVERNMENT ON JULY 1 TOOK ONE MORE TENTATIVE STEP IN ITS GRADUAL MOVEMENT TOWARD IMPORT LIBERALIZATION. FULFILLING EARLIER PROMISES REPORTED REFTELS, MINISTRY OF COMMERCE AND INDUSTRY (MCI) ANNOUNCED THAT 24 PREVIOUSLY RESTRICTED ITEMS, EFFECTIVE IMMEDIATELY, WOULD BE SHIFTED TO AUTOMATIC APPROVAL STATUS WHEREBY IMPORTS DO NOT REQUIRE PRIOR GOVERNMENT APPROVAL. ADDITIONAL MINOR ADJUSTMENTS INCLUDE: EASING OF DEGREE OF IMPORT RESTRICTION ON THREE ITEMS, TIGHTENING OF RESTRICTION
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ON ONE ITEM, AND APPARENTLY NEUTRAL CHANGE IN RESTRICTION PROCEDURES ON TWO ITEMS. NO DRAMATIC INCREASE IN IMPORTS AS A RESULT OF THESE MEASURES IS FORESEEN. END SUMMARY.

1. 24 ITEMS UNDER 17 FOUR-DIGIT CCCN (FORMERLY BTN) CATEGORIES WERE RECENTLY SHIFTED TO AUTOMATIC APPROVAL STATUS. OF THESE, TWO (FOOTWEAR AND FANS) HAD PREVIOUSLY BEEN ON THE IMPORT

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BANNED LIST, THE REMAINDER ON THE IMPORT RESTRICTED LIST.
ITEMS ARE AS FOLLOWS:

CCCN NO. ITEM

64.04 FOOTWEAR (WITH OUTER SOLES OF SPECIAL MATERIALS)
67.05 FANS (INCLUDING FRAMES, HANDLES, AND PARTS)
15.02 BEEF TALLOW, INDUSTRIAL USE
15.08 ANIMAL AND VEGETABLE OILS, OTHER THAN CASTOR OILS
29.01 BUTADIENE; CYCLOHEXANE
39.02 TEDLAR FILM
51.02 MONOFIL, STRIP; MONOFIL, CATGUT
54.02 RAMIE YARN, PREVIOUSLY BANNED
54.05 WOVEN FABRICS OF FLEX OR RAMIE
55.06 COTTON YARN FOR RETAIL SALE

57.11 WOVEN FABRICS OF OTHER VEGETABLE TEXTILE FIBERS
58.07 CHENILLE YARN, GIMPED YARN, ETC.
73.29 IRON AND STEEL CHAINS AND PARTS
84.19 MACHINES FOR WRAPPING CHEWING GUM; MACHINES FOR SEALING CANS
84.59 ACCUMULATORS; AUTOMATIC ZIP FASTENER MAKING MACHINES; HOMOGENIZERS; AUTOMATIC MATCH MAKING MACHINES; EYELETTING MACHINES
85.27 ELECTRICAL CONDUIT TUBING AND JOINTS, PREVIOUSLY BANNED
85.28 OTHER ELECTRICAL APPARATUS AND PARTS
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2. IN ADDITION TO ABOVE, THE DEGREE OF IMPORT RESTRICTION ON THREE ITEMS WAS EASED SOMEWHAT. GRAPHITE CRUCIBLES (CCCN 69.03) AND HINGES OF BASE METAL FOR FUTNITURE (83.02), PREVIOUSLY BANNED, MAY NOW BE IMPORTED UPON RECOMMENDATION OF RESPECTIVE TRADE ASSOCIATIONS. WITH REGARD TO ALUMINUM FOILS (76.04), THE NUMBER OF ELIGIBLE END-USERS HAS BEEN INCREASED. ONE CATEGORY OF ITEMS -- ELECTRIC FURNACES, OVENS, HEATING EQUIPMENT, AND ELECTRIC WELDING, BRAZING, AND SOLDERING MACHINES FOR REFINING OF SPECIAL STEEL (85.11) -- PREVIOUSLY ON AUTOMATIC APPROVAL STATUS, CAN NOW BE IMPORTED ONLY UPON RECOMMENDATION OF A TRADE ASSOCIATION. FINALLY, IN AN APPARENTLY NEUTRAL CHANGE, TWO ITEMS, PREVIOUSLY IMPORTED UPON RECOMMENDATION OF RESPECTIVE TRADE ASSOCIATIONS, WILL NOW INSTEAD REQUIRE THE RECOMMENDATION OF THE ROKG. THEY ARE: PRINTING INK FOR OVERSEAS USE (32.13); AND ART PRINTING PAPER (MAT) FOR OVERSEAS UTE (48.01).

3. THE IMPACT OF THIS LATEST LIBERALIZATION MEASURE IN TERMS OF INCREASED IMPORTS IS DIFFICULT TO GAUGE AT THIS POINT. ACCORDING TO MCI, ACTUAL IMPORTS OF 24 ITEMS IN CY 1976 TOTALLED ABOUT $47.9 MILLION. UNOFFICIAL MCI ESTIMATES AS TO ADDITIONAL IMPORTS LIKELY TO RESULT FROM LIBERALIZATION VARY FROM $12

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MILLION (25 PCT) TO $50 MILLION (100 PCT) OVER NEXT TWELVE MONTHS. EMBASSY WOULD LEAN TOWARD LOWER FIGURE. IN ANY EVENT, IF APPEARS THAT EARLIER MCI ESTIMATES OF $100 MILLION ADDITIONAL DIMPORTS PER YEAR (REFTELS) WERE PROBABLY OVERSTATED.

4. ACCORDING TO A MCI SOURCE, THE SELECTION OF ITEMS FOR IMPORT LIBERALIZATION WAS MADE ON THE BASIS OF A MCI JUDGEMENT THAT COMPARABLE KOREAN PRODUCTS ARE NOW READY TO WITHSTAND -- AND BENEFIT FROM -- FOREIGN COMPETITION. HE INDICATED THAT FURTHER STEPS TOWARDS LIBERALIZATION WOULD FOLLOW AS CIRCUMSTANCES ALLOWED.

5. COMMENT: IMPORT LIBERALIZATION MEASURES ANNOUNCED JULY 1 WERE VERY SIMILAR IN SCOPE TO THOSE ANNOUNCED LAST MONTH (REF A),
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WHEN 22 ITEMS WERE SHIFTED TO AUTOMATIC APPROVAL STATUS AND RESTRICTIONS ON AN ADDITIONAL 14 WERE EASED. BOTH MOVES REFLECT ROKG'S CAUTIOUS, STEP-BY-STEP APPROACH TO EASING ITS ELABORATE SYTSTEM OF IMPORT CONTROLS. IN TERMS OF U.S. EXPORTS, THE MOST IMPORTANT ITEM IN LATEST LIST IS BEEF TALLOW, OF WHICH U.S.
IS KOREA'S LARGEST SUPPLIER.
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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: IMPORTS, TRADE LIBERALIZATION
Control Number: n/a
Copy: SINGLE
Sent Date: 07-Jul-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01-Jan-1960 12:00:00 am
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977SEOUL05653
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770241-0476
Format: TEL
From: SEOUL
Handling Restrictions: n/a
Image Path:
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Legacy Key: link1977/newtext/t19770782/aaaactky.tel
Line Count: 143
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 9b56a66f-c288-dd11-92da-001cc4696bcc
Office: ACTION EB
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: 77 SEOUL 4971, 77 SEOUL 5281
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 12-Nov-2004 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 1936345
Secure: OPEN
Status: NATIVE
Subject: KOREAN TAKE ANOTHER SMALL STEP TOWARD IMPORT LIBERALI- ZATION
TAGS: ETRD, EFIN, EGEN, KS, GATT, MTN
To: STATE
Type: TE
vdkvgwkey: odbc://SAS/SAS.dbo.SAS_Docs/9b56a66f-c288-dd11-92da-001cc4696bcc
Review Markings:
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Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009